

CPYRIGHT

MAY 8 1967

FOIAb3b

Approved For Release 2000/08/03 : CIA-RDP75-00149R

Reuther Concedes Union on One Occasion Took \$50,000 From Agency

By JERRY M. FLINT

Special to The New York Times

DETROIT, May 7—The United

Automobile Workers Union, my peers in the C.I.A., he spent was used by the Central Intel- it with less than perfect wis- ligence Agency to funnel money- dom, for the German unions he into the European labor move- chose to help weren't seriously ment, Walter P. Reuther said short of money and were al- today.

Mr. Reuther, the union pres- C.I.A. money Victor spent would ident, said in a statement that have done much more good the union on one occasion where unions were tying up

Text of the Walter Reuther statement is on Page 37.

ports at the order of Commu- nist leaders."

Walter Reuther's statement did not dispute the amount of

passed on money and that the money, but it put the date of C.I.A. tried to recruit his the conduit operation at 1952, brother, Victor, as an agent. during the Korean war.

Victor Reuther, now the di- It also said the Government, rector of international affairs not the union, had requested the for the auto union, has criti- operation and that the union cized the American labor move- regretted using the money. ment for working with the C. I. A. Mr. Reuther said Mr. Braden's reference to the auto union was "incomplete and misleading."

Walter Reuther's statement was in answer to an article in the May 20 issue of The Satur- day Evening Post by Thomas W. Braden, a former C.I.A. official. Mr. Braden defended the use of the agency's money to infiltrate various organiza- tions.

He also wrote:

"Victor Reuther ought to be ashamed of himself. At his re- quest I went to Detroit one morning and gave Walter \$50,000 in \$50 bills. Victor spent the money, mostly in West Ger- many, to bolster labor unions there. He tried 'undercover techniques' to keep me from finding out how he spent it. But I had my own 'undercover techniques.'

"In my opinion and that of asked, to become an agent for

CPYRIGHT



The New York Times

United Press International

ANSWERS CHARGES: Victor Reuther, left, and his brother, Walter P. Reuther, president of the United Auto- mobile Workers, who were charged with funneling money to the European labor movement via the C. I. A. The union president termed charges incomplete and misleading.

he C.I.A., using as a 'front' his position" with the C.I.O.

"Victor Reuther emphatically ejected Mr. Braden's request," he statement said. Nonetheless, it continued, the decision was considered so important that it was reviewed by Philip Murray, then president of the C.I.O., who agreed that the re- quest should be rejected.

Mr. Murray also agreed with our decision not again to transmit Government funds, re- gardless of the need or ur- gency," the statement said.

In 1962, the union created the Free World Labor Defense fund. Since then it has "relle- exclusively on this fund for the financing of its international activities," Mr. Reuther's state- ment said.

A union spokesman said that, after the one episode with the intelligence agency, the union it,

used its own funds for interna- tional activities, even before the special fund was organized.

Braden Denies Charge

In New York, where he was attending his first meeting as a trustee of the Carnegie Endow- ment for International Peace, Mr. Braden denied that he had ever tried to "recruit" Vic- tor Reuther as an agent.

"Mr. Victor Reuther behaved as a responsible and patriotic American citizen in helping his Government combat Commu- nism in labor unions abroad," he said.

"Mr. Reuther was never at any time asked to become an agent of the C.I.A., as far as I know. Mr. Reuther was asked to help his country. And he did it. And I think all Americans ought to be proud that he did it," he said.